

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Annual Compliance Report, 2020

Docket No. ACR2020

CHAIRMAN'S INFORMATION REQUEST NO. 27

(Issued March 31, 2021)

To clarify the Postal Service's FY 2020 Annual Performance Report (*FY 2020 Report*) and FY 2021 Annual Performance Plan (*FY 2021 Plan*),¹ the Postal Service is requested to provide written responses to the following requests. Answers should be provided to individual requests as soon as they are developed, but no later than April 7, 2021.

Financial Health

1. Please refer to the Postal Service's discussion of Total Factor Productivity (TFP) in the *FY 2020 Report*, which states that "TFP for FY 2020 was -1.0 percent." *FY 2020 Annual Report* at 53. Please also refer to the figure that shows a decrease in TFP, measured by cumulative percent change, from 26.5 in FY 2019 to 25.3 in FY 2020. *Id.* Please reconcile this discrepancy.

¹ The *FY 2020 Report* and *FY 2021 Plan* are included in the Postal Service's FY 2020 *Annual Report to Congress*, which the Postal Service filed with the FY 2020 *Annual Compliance Report*. Library Reference USPS-FY20-17, December 29, 2020, file "FY2020.Annual.Report.USPS.FY20.17.pdf," at 31-57 (*FY 2020 Annual Report*).

Strategic Initiatives

2. In Response to CHIR No. 10, the Postal Service stated that it “intends to issue a new strategic plan within the next several months.”² On March 23, 2021, the Postal Service issued a plan to achieve financial sustainability and service excellence over the next 10 years (10-Year Plan).³
- a. Please confirm that the 10-Year Plan is not the new strategic plan referred to in Response to CHIR No. 10, question 2.
 - b. If not confirmed, and the 10-Year Plan is the new strategic plan, please:
 - i. Confirm that the 10-Year Plan replaces the existing strategic plan (5-Year Plan).⁴ If not confirmed, please explain the relationship between the 10-Year Plan and 5-Year Plan, and describe how the 10-Year Plan changes the 5-Year Plan.
 - ii. Describe each strategic goal and strategic initiative in the 10-Year Plan.⁵
 - iii. Explain whether and how the 10-Year Plan impacts the FY 2021 strategic initiatives and descriptions provided in the *FY 2021 Plan*. See *FY 2020 Annual Report* at 56-57. In the response, please describe each new or changed strategic initiative, and provide the

² Responses of the United States Postal Service to Questions 1-6 of Chairman’s Information Request No. 10, February 11, 2021, question 2.a. (Response to CHIR No. 10).

³ United States Postal Service, *Delivering for America: Our Vision and Ten-Year Plan to Achieve Financial Sustainability and Service Excellence* (March 2021); available at <https://about.usps.com/what/strategic-plans/delivering-for-america/> (10-Year Plan); see Press Release, “United States Postal Service Unveils 10-Year Plan to Achieve Financial Sustainability and Service Excellence,” March 23, 2021, available at <https://about.usps.com/newsroom/national-releases/2021/0323-usps-unveils-10-year-plan-to-achieve-financial-sustainability-and-service-excellence.htm>.

⁴ United States Postal Service, *Ready-Now → Future-Ready: The U.S. Postal Service Five-Year Strategic Plan FY2020-FY2024*, available at <https://about.usps.com/strategic-planning/five-year-strategic-plan-2020-2024.pdf> (5-Year Plan).

⁵ See Response to CHIR No. 10, question 2.c. (“The new strategic plan will articulate a new set of USPS strategic goals and describe the key supporting initiatives for FY 2021 and beyond.”).

performance measures for tracking progress for each one in FY 2021, including FY 2021 targets if applicable.

- iv. Explain how the 10-Year Plan, strategic goals, and FY 2021 strategic initiatives relate to the performance goals and performance indicators.
3. In Response to CHIR No. 10, the Postal Service states it “has not yet finalized the specific release date of the new strategic plan” to the Commission and general public. Response to CHIR No. 10, question 2.d. If the 10-Year Plan is not the new strategic plan, please provide any updates to this response, including an estimated date or timeline for issuing the new strategic plan, if available.

By the Chairman.

Michael Kubayanda